

Helvetia Standard Terms of Insurance (STI)

for Switzerland payment protection insurance (death/earning disability/unemployment)

Version of August 2017

1 Basis of cover

1.1 Contractual basis

This insurance contract is based on the following:

- the loan agreement between the borrower (hereinafter **Insured Person**) and Switzerland AG in its capacity as lender and policyholder (hereinafter **Switzerland**);
- the declaration of enrolment in the optional payment protection insurance, which forms part of the loan agreement;
- the Standard Terms of Insurance (STI);
- on a subsidiary basis: the provisions of the Swiss Federal Act on Insurance Contracts (LIC).

For the sake of simplicity, masculine personal pronouns are used throughout.

1.2 Insurance relationship and parties involved

Switzerland, in its capacity as policyholder, and Helvetia Insurance (comprising Helvetia Swiss Life Insurance Ltd. and Helvetia Swiss Insurance Ltd. – hereinafter collectively referred to as Helvetia), in its capacity as insurer, have concluded a group insurance policy covering the payment obligations of the Insured Person under the Loan Agreement.

Any insurance claims in connection with the present STI shall be addressed solely to Helvetia. In the event of a claim, the Insured Person shall have no recourse to Switzerland.

1.3 Standard Terms of Insurance (STI)

The present STI define the rights and obligations of the Insured Person and/or the claimant. In particular, they definitively determine the insurance benefits.

2 Modalities of insurance

2.1 Risks covered

This insurance is optional, i.e. it is concluded at the request, and for the account, of the Insured Person, and covers the following risks:

- death
- earning disability
- unemployment for people who are non-independently employed

2.2 Insured Person

This insurance covers people who are in salaried employment, who reside in Switzerland and who conclude a loan agreement with Switzerland between the entry age and the final age. If the credit agreement is taken out in joint names, only the first person named in the agreement is insured. The insurance does not cover more than one person, nor does it cover legal entities.

2.3 Inclusion in the insurance

By signing the loan agreement, the borrower (as the Insured Person) is covered by the optional insurance plan.

2.4 Entry age and final age

The insurance commences, at the earliest, once the Insured Person has reached the age of 18 (entry age) and ends, at the latest, when he reaches the age of 65 (final age).

2.5 Start of insurance cover

Insurance coverage commences with disbursement of the loan amount.

2.6 End of insurance coverage

Insurance coverage essentially lasts for the duration of the credit agreement.

Insurance coverage ends with the ordinary or premature termination of the loan agreement or on termination of the insurance policy, either when the entire loan amount is repaid or after 84 months, whichever occurs first.

In addition to cases of ordinary or premature termination of the loan agreement or termination of the optional insurance, the insurance coverage ends in the following cases:

For all insured risks:

- a) when the Insured Person reaches the age of 65;
- b) on the death of the Insured Person;
- c) if the Insured Person gives up non-independent employment (e.g. also if the Insured Person switches to independent employment);
- d) if the Insured Person relocates outside Switzerland or the Principality of Liechtenstein;
- e) if the Insured Person fails to pay two overdue insurance premiums that are owed to Switzerland as part of the monthly loan instalments.

For the risks of earning disability and unemployment:

- f) if the Insured Person retires (early);
- g) once the maximum amount of benefits has been disbursed (see Section 3.6).

In the above cases (with the exception of items a, e and g), the Insured Person or his heirs are obliged to notify the insurer.

3 Insurance benefits

3.1 Sums insured

Under the present insurance, the total benefits provided by Helvetia are capped at CHF 100,000 per loan agreement.

3.2 Death benefits

3.2.1 Entitlement to benefits in the event of death

If the Insured Person dies, Helvetia shall provide a one-off lump-sum benefit in the amount of the residual debt, including any payment arrears and interest on arrears at the time of death.

3.2.2 Exclusion of benefits in the event of death

No lump-sum death benefit shall be paid if the Insured Person dies:

- a. as a result of any illness or injury for the cause of which the Insured Person sought medical treatment during the twelve months prior to signing the declaration of enrolment or at the time of such signing, or owing to which he was unable to work;
- b. as a result of active participation in illegal or criminal activities;
- c. as a result of: training or participation in sports that involve the use of motorized equipment; boxing; diving (deeper than 40m); paragliding or hang-gliding; parachuting; base jumping; horse racing; mountaineering (>UIAA Grade VI); canyoning or ocean sailing;
- d. as a result of non-occupational radioactive contamination;
- e. as a result of suicide within two years of the start of insurance coverage.

3.3 Benefits for earning disability

3.3.1 Entitlement to earning disability

a) Entitlement to monthly payments

The Insured Person is entitled to **monthly payments for earning disability** if he becomes totally (100%) incapable of performing an appropriate job in his former profession or field of activity as a result of a health impairment (illness or accident).

The monthly instalments under the loan agreement shall be paid up to a maximum amount of CHF 2,000 per month provided the insurance coverage is in place and, subject to a waiting period of 60 days, a doctor practising in Switzerland provides medical evidence that the Insured Person has a degree of disability of 100% and is undergoing medical treatment. A degree of disability of less than 100% does not entitle the Insured Person to any benefits. Payment arrears and interest on arrears are not reimbursed.

The waiting period begins on the day that the Insured Person first consulted a doctor practising in Switzerland with regard to the illness or accident triggering the earning disability and the latter certified an earning disability of 100%. Earning disability cannot be certified retroactively.

If, after expiry of the waiting period, the obligation to pay benefits begins after the month has commenced, the first monthly payment shall be made in full. Benefits due in successive months are not paid until 30 days of continued earning disability have accumulated. If this is not the case, no further benefits are paid.

No new waiting period applies in the event of a relapse or in cases where the Insured Person is again certified as having a degree of disability of 100% due to the previous ailment within three months of the end of a period of 100% disability of which the insurer has already been notified. A repeated period of disability occurring more than three months after another is treated as a new claim and a new waiting period applies.

b) Duration of monthly payments

Provided insurance coverage is in place, Helvetia shall make the monthly payments during the continued, medically certified period of disability for a maximum of twelve months per claim, unless the Insured Person reaches the final age in the meantime.

3.3.2 Exclusion of benefits for earning disability

No benefits are paid:

- a. as a result of any illness or injury for the cause of which the Insured Person sought medical treatment during the twelve months prior to signing the declaration of enrolment or at the time of such signing, or owing to which he was unable to work;
- b. if the earning disability was provoked or caused wilfully (e.g. through self-harm);
- c. as a result of active participation in illegal or criminal activities;
- d. as a result of: engaging in professional sporting activities; training or participation in sports that involve the use of motorized equipment; boxing; diving (deeper than 40m); paragliding or hang-gliding; parachuting; base jumping; horse racing; mountaineering (>UIAA Grade VI); canyoning or ocean sailing;
- e. as a result of psychological disorders (e.g. depression), insofar as they were not diagnosed and treated by a medical professional practising in Switzerland and specialized in psychiatry or insofar as they did not require inpatient treatment or any long-term stay in a hospital, sanatorium, clinic, etc. in Switzerland;
- f. as a result of accidents suffered while under the influence of drugs or accidents caused or provoked while under the influence of alcohol, where the Insured Person's blood alcohol level is equal to or greater than the statutory limit for driving a motor vehicle;
- g. as a result of the non-medically prescribed ingestion or injection of medicines, drugs or other chemical products, or of the abuse of alcohol;
- h. as a result of non-occupational radioactive contamination.

3.4 Benefits in the event of unemployment

3.4.1 Entitlement to benefits for salaried employees who become unemployed

Unemployment is defined as the involuntary total (100%) loss of the Insured Person's job or, if he has multiple jobs, of the one in which the Insured Person worked at least 30 hours per week and for which the Swiss unemployment insurance scheme (UI) pays the Insured Person full daily benefits.

Under the insurance coverage, the Insured Person is entitled to payment of the monthly instalments set down in the loan agreement, up to a maximum amount of CHF 2,000 per month, once he has been determined to be 100% unemployed as defined by the UI and a waiting period of 60 days has elapsed. Payment arrears and interest on arrears are not reimbursed.

The waiting period does not begin until the day on which the Insured Person's entitlement to UI benefits commences. If, after expiry of the waiting period, the obligation to pay benefits begins after the month has commenced, the first monthly payment shall be made in full. Benefits due for the next month are not paid until 30 days of continued unemployment have accumulated. If that is not the case, no further benefits are paid.

The monthly payments are made only so long as the Insured Person fulfils both of the following conditions:

- when given notice of termination, the Insured Person had worked in the job for least 12 months, with a work contract of indefinite duration and a weekly working time of at least 30 hours;
- the Insured Person is actively looking for a new job.

3.4.2 Qualifying period

The insurance coverage does not apply to notices of termination issued within the first 90 days of the policy term.

3.4.3 Duration of benefit payments in cases of unemployment

Provided the insurance coverage remains in place, Helvetia shall provide the monthly unemployment payments during the continued proven period of unemployment, either for a maximum of twelve months per claim or until the Insured Person reaches the final age, whichever occurs first.

3.4.4 Entitlement in repeated cases of unemployment

Any further period of unemployment arising within three months of the Insured Person's starting a new job and brought about by involuntary termination of the employment contract shall not be deemed to be a new claim and therefore shall not trigger a new waiting period. Any further period of unemployment arising after this three-month period is treated as a new claim and a new waiting period applies.

In order to assert a repeated claim to monthly unemployment payments, the Insured Person must, after settlement of the original claim, have worked for an uninterrupted period of at least six months in a new permanent position with a weekly working time of at least 30 hours (re-qualification period).

3.4.5 No entitlement to benefits for unemployment

No benefits are payable in cases of unemployment

- a. if, prior to or on signing of the declaration of enrolment, the Insured Person was not employed for at least twelve months with a weekly working time of at least 30 hours or was in a fixed-term contract or had had his employment contract terminated or was facing imminent early retirement;
- b. if the Insured Person had received notice of termination before signing the declaration of enrolment;
- c. if the employee or Insured Person terminated the employment contract;
- d. as a result of the ordinary or premature termination of temporary employment contracts, seasonal work contracts or assignment contracts in the temporary-work industry;

- e. if no entitlement to daily unemployment benefits exists under the Swiss statutory unemployment insurance scheme (UI) (e.g. unemployment of the self-employed) or for which an entitlement to UI benefits may exist, but only in the form of allowances;
- f. as a result of the Insured Person's (early) retirement.

3.5 Coordination of benefits

Insurance benefits for earning disability and unemployment are not cumulative, i.e. only one or the other is disbursed.

3.6 Benefit cap

Benefits are payable under this insurance contract for a maximum of 24 months in cases of multiple periods of earning disability and/or unemployment. Benefits as a result of earning disability and unemployment are added together. The death benefit is paid irrespective of this.

4 Claim to benefits and premium payment

4.1 Claim to benefits

In its capacity as policyholder, Switzerland is entitled to claim all insurance benefits from Helvetia. These benefits serve solely to meet the contractual payment obligations of the Insured Person or his heirs arising out of the loan agreement with Switzerland, and are paid directly and exclusively to Switzerland.

4.2 Non-negotiability of benefits

None of the benefits arising from this insurance may be pledged or surrendered.

4.3 Premium payment

The insurance premiums (including any stamp duty) form part of the monthly loan instalments payable as part of the credit agreement. In the event of a claim, the benefits paid by Helvetia shall include said insurance premiums.

4.4 Profit sharing

This insurance does not include any surplus. It is purely term insurance, and for this reason does not have any surrender or conversion value.

5 Claims

5.1 Obligations in the event of a claim

All claims must be reported without delay to the Claims Management unit of the service provider contracted by Helvetia:
 Financial & Employee Benefits Services (febs) AG
 P.O. Box 1763, 8401 Winterthur, Switzerland
 Tel.: +41 (0)52 266 02 31, Fax: +41 (0)52 266 02 01
 E-mail: lend@febs.ch

The Helvetia service provider will send the claim form to the Insured person or the person making the claim.

The latter must fill in and sign the claim form and submit it without delay, along with all the documents necessary to assess the claim.

5.2 Assessment of claims

The following documents must be submitted to either Helvetia or the contracted service provider in order to verify and assess the claim:

- completed claim form;
- in the event of death: official death certificate and medical certificate (doctor's certificate) specifying the cause of death and the onset and course of the illness or physical injury that led to the death of the Insured Person. In the event of accidental death, the police report should also be submitted.
- In the event of earning disability: medical certificate on the causes and nature of the illness or the consequences of the accident (doctor's certificate / medical records, diagnosis, etc.), and the degree and probable duration (prognosis) of the disability. A new doctor's certificate or documents proving the continuation of the disability must be presented every month.
- In the event of unemployment: copies of the employment contract and the employer's notice of termination, showing the date on which notice was given and the date of termination of employment; proof of registration as unemployed with the applicable employment office and proof of ongoing payments and account statements for statutory unemployment benefits (UI).

A claim cannot be settled until all the documentation is complete and plausible. The insurance benefits are not disbursed until all documents have been furnished that are necessary to verify and assess the claim, and the claim has been recognized. The Insured Person or his heirs shall bear the costs associated with furnishing the above evidence.

Further, Helvetia may, at its own expense, demand additional requisite information or evidence or obtain such information or evidence itself, and may also have the Insured Person examined by an independent medical officer at any time. Helvetia, or its contracted service provider, is entitled to make direct contact with the doctors who treated the Insured Person.

5.3 Duties of cooperation and loss mitigation

Within the scope of their duties of cooperation and loss mitigation, the Insured Person or his heirs must:

- authorize Helvetia, or its contracted service provider, to obtain information and documents from hospitals, doctors, employers, official bodies, insurance companies and institutions, and third parties and to release them from their duty of confidentiality;
- inform Helvetia, or its contracted service provider, without delay of the Insured Person's previous and current state of health and the course of the illness or accident.

Should the Insured Person or his heirs fail to meet any of the above obligations, the insurance benefits shall not fall due and Helvetia may refuse the payment of benefits until such time as they have fulfilled their obligation.

6 Notice

Subject to a three-month notice period, the Insured Person may terminate the insurance contract at the end of any month without stating any reason. The notice of termination must be made in writing to Switzerland. Termination of the insurance contract on the part of the Insured Person shall have no effect on the loan agreement.

If the Insured Person terminates the insurance contract while he is receiving benefits under the contract, Helvetia's obligation to pay said benefits shall cease upon expiry of the notice period.

7 Special provisions

7.1 Transfer to third parties

The Insured Person has noted and agreed that both Helvetia and Switzerland may outsource or transfer certain services or activities in connection with this insurance to external third parties, especially to Financial & Employee Benefits Services AG (febs).

7.2 Data protection

Subject to compliance with data protection rules, the insurer or its contracted third parties are authorized to obtain and process any data from Switzerland or third parties that is needed to perform the contract and/or process a claim.

The Insured Person may at any time request the disclosure or correction of information relating to him. Private interests of the Insured Person that are worthy of protection shall be safeguarded, as shall overriding public interests.

Personal details disclosed in the performance of this insurance contract and data required in the context of claims will be held by Helvetia and/or its contracted third parties solely for the purpose of concluding and managing the insurance and settling claims. Helvetia, or its contracted third parties, as well as Switzerland are authorized to exchange, process and transfer the information and data needed to perform the contract. Where necessary, this data shall be passed on to any third parties involved, namely to co-insurers, reinsurers and other participating insurance companies as well as to courts, authorities and public offices. Otherwise, data protection measures shall be based on the Swiss Federal Data Protection Act of 19 June 1992.

7.3 Notices and communications

Notices relating to the insurance relationship must always be made in writing. Notices addressed to Helvetia take effect as soon as they reach Financial & Employee Benefits Services AG or Helvetia itself.

7.4 Taxes

The insurance benefits are taxable income and must be declared as such by the Insured Person or his heirs.

7.5 Legal venue and applicable law

The present insurance is subject solely to Swiss law. In the event of disputes, the Insured Person's place of residence in Switzerland, the domicile of the policyholder or that of the insurer are the only permissible places of jurisdiction.